

Decision on Proposal to Address Potential Load Underscheduling Until Implementation of Convergence Bidding



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California ISO
Your Link to Power

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Interim Scheduling Requirement Proposal Presented at July Board Meeting

Proposal Represents a Balance Among Stakeholder Interests

- 🌐 LSEs with more than 15% of Demand Served in Real-Time Market Assessed Scheduling Charge
 - \$150/MWh for Real-Time Demand between 15 and 20%
 - \$250/MWh for Real-Time Demand > 20%
- 🌐 Several Exemptions Proposed to Ensure Charge Implemented Fairly
 - Load Forecast Error
 - Real-Time price < Day-Ahead price
 - Small LSEs Exempted
- 🌐 Identified Need to Develop Bright Line Trigger for Assessing the Charge

Continued Stakeholder Process on Outstanding Issues

- 🌐 Stakeholder Process to Address Unresolved Policy Issues
 1. Bright Line Trigger
 2. Level of Small Load Exemption
- 🌐 August 2 – White Paper Proposal on Outstanding Issues
- 🌐 August 10 – Joint MSC/Stakeholder Meeting
- 🌐 September 6 – Board Decision

CAISO Recommendation for Bright Line Trigger

- 🌐 Two options presented in August 2 white paper
 - 5 Percent Monthly Exemption; or
 - 5 Percent Annual Exemption
- 🌐 CAISO Recommendation: 5% Monthly Exemption
 - Annual Exemption could allow for gaming
 - Monthly Exemption
 - allows for SCs to correct behavior,
 - smaller potential for overscheduling to avoid charge

CAISO Recommendation for Small Load Exemption

LSEs with hourly loads less than 500 MW in a LAP exempt from interim scheduling charge

- 🌐 Why include an exemption for small LSEs?
 - Small LSEs have limited ability to impact DAM price
 - Certain Small LSEs have unpredictable loads
- 🌐 Why 500 MWs?
 - More than 1000 MW load necessary to significantly move DAM price
 - 500 MW exemption conservative level that captures all LSEs with potential to influence DAM price
 - Proposed 15% Threshold results in Large LSEs having greater ability to impact Day-Ahead Market price than 100% of combined Small LSE load

Stakeholder Positions

Bright Line Trigger

SCE: Annual Option provides too much leeway, prefer Monthly Option

PG&E: Prefers Annual Option

SDG&E: No Comments Provided

Small LSEs: Slight preference for Annual Option

Small Load Exemption

- SCE finds it discriminatory, argue that collusion possible
- PG&E finds it discriminatory
- SDG&E: No Comments Provided
- Small LSEs support exemption